

At present, FHA allows lenders to charge interest on a mortgagor's loan through the end of the month, even if the mortgagor pays the loan off at the beginning of the month, to cover the contractual obligation to pay investors in mortgage backed securities for the full month. Mortgagors with conventional mortgages or with Veterans Administration-backed mortgages stop accruing interest once the principal is repaid, despite there being a similar contractual obligation to pay such investors. I have deep concerns about the impact these excess interest payments have on FHA borrowers, who typically have limited resources, but may end up paying more interest on their loans than other borrowers. While some might argue that this is merely an issue of educating the borrowers to encourage them to repay their principal at the end of the month, I am skeptical about whether the FHA mortgagors, who often repay their loans through selling their homes or refinancing their mortgages, have much ability to choose the day on which their transaction closes and the principal is repaid.

I understand that the Banking Committee and the Department of Housing & Urban Development, HUD, are willing to work with Senator ISAKSON and me and our staffs to further understand this issue and make sure that FHA policies regarding interest charges protect borrowers to the extent possible. Is that right?

Mr. JOHNSON of South Dakota. Yes, that is correct. My understanding is that HUD has been working to determine the impact of a change in how interest is accrued on FHA loans and the Department is committed to working with the junior Senator from Maryland on this issue. At the Banking Committee, my staff and I will also continue to study the issue and work with the Senator's staff and various stakeholders to discern the impact that such a change would have on interest rates and on the mortgage-backed securities market. With help from the Department and the junior Senators from Maryland and Georgia, we will move this process forward to bring about the best outcome for FHA borrowers.

I want to assure the junior Senator from Maryland that I share his concern for FHA borrowers and am committed to pursuing policies that protect borrowers while also ensuring robust real estate and mortgage markets. I thank my colleague for bringing this issue to the attention of the Senate and I look forward to working with him.

Mr. CARDIN. I thank the distinguished Senator from South Dakota for his consideration, and I compliment him for the excellent work he has done thus far in working to strengthen the real estate market and the economy in general during the economic downturn. I am sure the Senator will be pleased to learn that HUD committed to me and my staff that it would deliver within the next 2 to 3 weeks an anal-

ysis of how many borrowers are affected by the current interest policy and are required to pay excess interest. The last data published are from 2000 to 2003 but indicate what is at stake. Total excess interest payments from that period, according to the National Association of Realtors, amounted to more than \$1.3 billion. If hundreds of thousands of FHA borrowers could save hundreds of millions of dollars in excess interest payments each year, those savings could provide an economic stimulus in communities across the Nation that would not cost taxpayers anything. Additionally, in the next 60 to 90 days, HUD will complete a study on the impact of changing interest calculations on its systems, and those of large and small lenders, and share those results with the Banking Committee and me.

Mr. President, with these assurances and commitments from the chairman and from HUD firmly in place, I will withdraw the amendment I offered on behalf of myself and the junior senator from Georgia, Senate Amendment 407, at the appropriate time.

PRESIDENTIAL APPOINTMENT EFFICIENCY AND STREAMLINING ACT—MOTION TO PROCEED

Mr. REID. I now move to proceed to Calendar No. 75, S. 679, the Presidential appointment efficiency and streamlining bill.

The PRESIDING OFFICER. The motion to proceed is now pending.

Mr. REID. Madam President, before I leave the floor, I wish to say a word to and about my friend, the Senator from California. As I have indicated, she is the chair of this most important committee, the Environment and Public Works Committee, which I had the good fortune of chairing on two separate occasions. She has been tireless in bringing legislation to this floor—attempting to. She has been talking about this bill for months, about how good it is.

When she sat down and reminded me of the merits of this legislation, I thought: This should be a good one, a job-creating measure. We need that right now. I have been very disappointed that we haven't been able to move forward. But it is not because of any lack of effort on her part.

She and I came to Washington together many years ago and served together in the House of Representatives. She is my friend, but she is also one of the most outstanding legislators we have had in this body, bar none.

MORNING BUSINESS

Mr. REID. I ask unanimous consent that the Senate proceed to a period of morning business until 6 p.m. this evening, with Senators permitted to speak for up to 10 minutes each during that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

ECONOMIC DEVELOPMENT REVITALIZATION BILL

Mrs. BOXER. Madam President, I want to thank the Senator from Nevada, my friend, the majority leader, Senator REID, for his remarks. And I want to thank him for filing cloture on the EDA bill. He said the Economic Development Administration was started by Richard Nixon. Actually it was continued by Richard Nixon. It was started by Lyndon Johnson in 1965 and supported by Presidents whether they were Republican, Democrat, liberal, moderate, or conservative.

Congress has supported this legislation. The last time the EDA was authorized, it was authorized by a voice vote in the Senate when George W. Bush was President and he signed it into law.

So one has to ask one's self: Why do we find ourselves in the middle of a filibuster? Why do we find ourselves with 91 amendments filed to this little bill that takes a \$500 million authorization and, because of the effect it has on the private sector, draws in private sector matching funds 7 to 1 and means it is a \$3 billion a year, basically, jobs bill? This is a jobs bill. Every Republican and every Democrat I know around here says: jobs, jobs, jobs. But they are killing another jobs bill. I think the American people have to understand, this list of amendments that has been filed—Senator REID went through a few of them. There is even one that relates to the prairie chicken. With all due respect, there may be a lot of issues surrounding the prairie chicken, but it has nothing to do with an Economic Development Act bill.

It goes on and on. It talks about protecting free choice for workers to refrain from participating in labor unions. This sounds familiar from a Governor from the Midwest. It talks about amending the Unfunded Mandates Reform Act.

Let's face it, we were not born yesterday. I wish I were, but I was not. The fact is—the print on this list is too small to even show up on the screen—we have a three-page list of amendments. We have 91 amendments filed to this bill—which is a jobs bill, which is a simple bill to reauthorize the Economic Development Administration's programs.

EDA is a great job creator. In our committee, every single Democrat and Republican, save one individual, voted for this bill. So it is bipartisan. It has been supported by Presidents since Lyndon Johnson. It has created, over time, millions of jobs. We know this particular bill, at its current funding level, would support up to 200,000 jobs a year or up to a million jobs over 5 years. And they are good jobs.

How does that happen? Because the EDA goes into local communities that have high unemployment rates. They bring together the local governments,